

# Sheet Metal Workers' International Association

Local Union



No. Forty

Hartford, New Haven, Middlesex, Tolland, Windham, New London Counties, State of Connecticut and Fisher's Island, State of N.Y.

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Senator Musto, Representative Jutila, and members of the Government Administration and Elections Committee,

Thank you for the opportunity to speak today in support of raised bill 454- AN ACT INCREASING THE TRANSPARENCY OF GENERAL BIDS FOR STATE CONTRACTS. My name is Jeremy Zeedyk; I am the organizer for the Sheet Metal Workers' Local Union 40 and I believe strongly in what this bill is designed to accomplish.

If this bill is implemented as written there will be many benefits to the State as well as contractors who work with the state, but for my remarks today I would like to focus on three specific areas.

The first area I would like to address is cost savings. The bidding system for contractor packages on State projects has no standardization as to the make-up of the scope of work contained in them. This often leads to contractors needing to hire multiple subcontractors to perform pieces of their bid causing multiple mark-ups. There is also the practice known as bid shopping. This gets tricky because everyone knows it happens but because it is illegal no one can or will talk about it. In fact few if any contractors will testify today on behalf of this bill because they know that if they speak publicly about bid shopping then they will in effect be cut off and shut out from working with the contractors they "get" their work from. Extra work order costs can also be caused by this inefficiency, but even when not directly caused by this, extra work orders can have many authorized but unnecessary mark-ups passed along by contractors who may not have anything to do with the actual work being performed. Unnecessary subcontracting mark-ups and bid shopping can cost the State millions of dollars each year. Dollars better spent on other needed projects and infrastructure improvements.

The second area that this legislation would benefit would be small, minority, women and veteran owned businesses. By breaking up some of these packages, in a standard way, into smaller more manageable packages that more closely represent a trade specialty a contractor would be involved with, will create more opportunities for contractors to compete head to head with other like contractors when bidding to a construction manager. If bidding to a general contractor they will know whether or not their bid, at the price they originally bid at, has been carried by the general contractor. This will give the State not just more contractors bidding work, but more quality contractors bidding on the available work as more and more become comfortable that they have a legitimate chance of being successful in the open and public market.

The third and final area of benefit I would like to speak about is the benefit to the workers who labor so hard on these projects putting life and limb in jeopardy each and every time they step onto a construction site. The Department of Labor has put a tremendous effort into trying to curb wage and hour violations such as misclassification, illegal independent contracting, wage theft and workmen's compensation insurance fraud. I applaud their efforts and support any effort to support them in their mission. These violations are terrible when they occur in the private market

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where oversight is not as robust, but are especially insulting when they occur on publicly funded projects where tax dollars are being wasted or outright stolen. This bill would go a long way in providing necessary transparency for contractors and their subcontractors who contract with the State and State agencies. By exposing the contractors being used on bid day, rather than months later as well as the price they have bid for the work along with providing copies of their contracts there is less chance of unlawful or unqualified contractors being slipped into projects and undercutting legitimate contractors. This will in turn provide workers with a less hostile work environment where they are at risk of not having the proper protections or wages and benefits paid. This will also lead to less off the books work and in turn more tax revenue for the State.

There are a few minor wording changes I would suggest to clarify a few things in the proposed bill. These proposed changes are as follows:

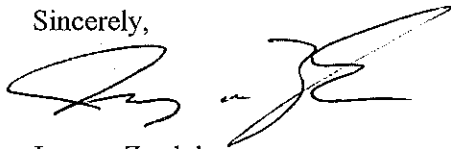
In Sec. 2 Section 4b-93 (b) "...and shall require the subcontractor to install by the subcontractor's own work force all materials to be furnished by him under such section..." I would suggest adding "unless a portion or portions is to be further subcontracted in accordance with this section ..." directly after to make clear that the prime subcontractor is not required to use his own workforce for work performed by his sub-subcontractor.

Also in Sec. 2 Section 4b-93 (b) in the new proposed language "A subcontractor may not subcontract any portion of the work to another subcontractor unless such other I would suggest adding "named" and after "subcontractor's bid price was included..." I would suggest adding "...and listed ..." directly afterward to make clear that the sub-subcontractor must be named on the general bid form and his price must also be listed at the time of bid.

Finally in Sec. 7 Subsection (f) of section 31-53 of the 2014 supplement to the general statutes I would suggest removing the first instance where the term "and each contracting agency" to remove the suggestion that the agency shall be responsible for creating documents as the intention is to require the contractors to be responsible for creating and maintaining the documents until they are turned over to the State.

Thank you again for the opportunity to speak in support of Raised Bill 454 and to offer suggestions for amendments to the proposed language.

Sincerely,



Jeremy Zeedyk  
Marketing Representative  
Sheet Metal Workers Local Union 40